



ALAN T. SASAKI
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
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August 16, 1999

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: Alan Sasaki
Auditor-Controller

Subject: **PROGRAM AND FISCAL MONITORING OF COMMUNITY AND SENIOR
SERVICES' FISCAL YEAR 1998-99 DISPUTE RESOLUTION PROGRAM
SERVICE PROVIDERS**

The Board of Supervisors has designated Community and Senior Services (CSS) to administer the Dispute Resolution Program (DRP). The program is funded through surcharges on court filing fees that are authorized by the State Dispute Resolution Act of 1986. The program offers residents of Los Angeles County the opportunity to voluntarily resolve minor disputes with the assistance of a neutral mediator/conciliator, rather than resort to lengthy formal legal proceedings in court. CSS must ensure these funds are utilized by its subcontractors (service providers) in accordance with Program requirements.

CSS requested program and fiscal monitoring reviews of their Fiscal Year 1998-99 service providers receiving DRP funds. We contracted with Strabala Ramirez & Associates, (Strabala) CPA's to conduct the monitoring. Strabala's monitoring provided CSS with an early warning of problems related to the service providers' compliance with applicable County and State regulations, which govern the DRP.

Strabala completed its monitoring for Fiscal Year 1998-99 and has separately reported the results of their monitoring reviews for 18 service providers (see Attachment I). Their final reports contained a total of 34 recommendations of which 12 were implemented to Strabala's satisfaction at the time they completed their follow-up reviews. The 22 outstanding recommendations pertained to deficiencies related to fiscal/accounting issues, contract compliance, and unmet performance goals. CSS informed us that they have resolved the remaining deficiencies with the service providers.

Additionally, Strabala's Management Letter (Attachment II) included one recommendation related to CSS's administration of the DRP. CSS's response to the management letter is included in Attachment III.

All reports were discussed with CSS and the service providers. Because of the number of service provider reports, copies of individual reports are not enclosed, but are available for your review.

Please call me or have your staff call Don Chadwick at (213) 974-0333 if you wish to review any reports.

ATS:PTM

Attachments

- c: David E. Janssen, Chief Administrative Officer
Public Information Office
Audit Committee
Community and Senior Services:
Stephanie Klopfleisch, Director
Ester Soriano, DRP Compliance Officer

**SERVICE PROVIDERS
1998-99 DISPUTE RESOLUTION PROGRAM**

1. Asian Pacific American Legal Center of Southern California
2. A. Milton Milner Memorial Fund d.b.a. Western Law Center for Disability Rights
3. California Academy of Mediation Professionals
4. California Lawyers for the Arts, Arts Arbitration and Mediation Services
5. Center for Conflict Resolution
6. Centinela Valley Juvenile Diversion Program, Mediation and Restitution
7. City of Norwalk Consumer-Rental Mediation Board
8. Claremont Dispute Resolution Center
9. Community & Senior Services of Los Angeles County, Voluntary Mediation Services (VMS)
10. Inland Valley Justice Center, Inc. (IVJC)
11. Korean American Coalition
12. Los Angeles County Bar Association, Dispute Resolution Services, Inc.
13. Los Angeles County Dept. of Consumer Affairs, Dispute Settlement Services
14. Los Angeles Superior and Municipal Courts
15. Loyola Law School, The Center for Conflict Resolution
16. Martin Luther King Legacy Association, Martin Luther King Dispute Resolution Center
17. Office of the Los Angeles City Attorney, Dispute Resolution Program
18. West Angeles Community Development Corp. (CDC)



STRABALA RAMIREZ

& Associates

Certified Public Accountants & Consultants

A Professional Corporation

June 9, 1999

Mr. Alan T. Sasaki
Auditor-Controller
525 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Mr. Sasaki:

In accordance with Work Order 5-15, we have prepared this letter to serve as our Management Letter on the administration of the Community and Senior Services' (CSS) internal accounting controls and administration of the Dispute Resolution Program.

During the course of our monitoring the following issue came to our attention as a potential area that may warrant corrective action.

Note #1 - Service Provider Issues

We noted that several service providers had problems compiling their reports and maintaining their records in accordance with CSS' current policies. One of these sites was found to be six months delinquent in submitting any reports during the Phase I monitoring. Another site was unable to compute its "grant share" fringe benefits properly during the Phase I or Phase II monitoring.

The following are the actions that CSS currently takes to help providers compile the reports:

1. A contractor conference is held at the beginning of the program year. Handouts and examples of filled-in forms are given to the providers by CSS staff.
2. Case management meetings are held to ensure that the providers are up to date on current laws affecting the administration of their program.
3. CSS staff assists providers, by phone, and will provide on-site assistance to help resolve issues if necessary.

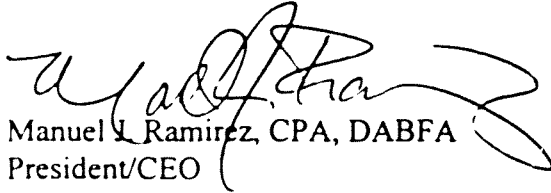
Mr. Alan T. Sasaki
Auditor-Controller
June 9, 1999
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Recommendation: We feel that the above mentioned steps are adequate, and that the providers themselves must be held more accountable for their own administration. We recommend that the process for funding the providers take into account the ability of the agency to administer the fiscal and program areas without significant help from CSS. As part of the funding process, CSS may consider including in their scoring system: timeliness of reporting, accuracy of reports, and deficiencies noted during monitoring visits.

We appreciate the opportunity to work with the County in the administration of the Dispute Resolution Program. If we can be of any further assistance, please do not hesitate to contact us.

Very truly yours,

STRABALA, RAMIREZ & ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read 'Manuel L. Ramirez', is written over the typed name and title.

Manuel L. Ramirez, CPA, DABFA
President/CEO

MJR/my

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STEPHANIE KLOPFLEISCH
Director

Attachment III
**COMMUNITY AND SENIOR SERVICES
OF LOS ANGELES COUNTY**

BOARD OF SUPERVISORS

GLORIA MOLINA
YVONNE BRATHWAITE BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

August 4, 1999

Mr. Alan T. Sasaki
Auditor-Controller
525 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Mr. Sasaki:

Dispute Resolution Program (DRP)
Response to: Strabala, Ramirez and Associates Management Letter

We have reviewed the management letter on the administration of the Community and Senior Services' (CSS) internal accounting controls and administration of the Dispute Resolution Program by Strabala, Ramirez and Associates.

Please be advised that our office will continue to assist providers compile their required reports by continuing to carry out the following actions:

- 1 Holding provider conferences at the beginning of each program year in which we explain and provide the monthly program reporting forms, with completed examples, instruction on fiscal invoicing, and administrative policies/current laws affecting the administration of the DRPA program.
- 2 Case Management Training is held to ensure that providers understand and have a standard example for the required case file documentation.
- 3 CSS staff routinely assists providers by telephone and provide on site assistance to help resolve issues when necessary.
- 4 CSS is presently completing a detailed DRP Grantees Manual, which will contain instructions and examples of how to complete all required forms, documents, and reports.

If you have any questions regarding this matter, contact me at (213) 738-2644.

Sincerely,


Henry M. Knawls, Chief
Community Services Division

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